

A local association of employees, the membership of which is limited to employees of the M corporation, operates a bus for the convenience of its members. The income of the association is derived from bus fares and is used to pay for the operation of the bus. The bus is operated primarily for the benefit of the members. No part of the association's earnings is devoted to charitable, educational, or recreational purposes. Held, the association does not qualify for exemption from Federal income tax as a local association of employees under the provisions of section 501(c)(4) of the Internal Revenue Code of 1954, which provision of law corresponds to section 101(8) of the Code of 1939. There is no other subsection of section 501(c) of the 1954 Code, or of section 101 of the 1939 Code, under which are association may qualify for exemption.